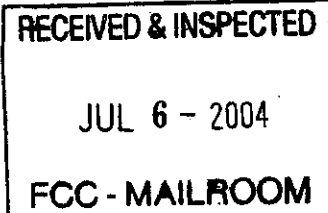


DOCKET FILE COPY ORIGINAL

Federal Communications Commission
Office of the Secretary
445 - 12th Street, SW
Washington, DC 20554



CC Docket No. 02-6

Request for Waiver

Peter Dorn
Grace Lutheran Day School
100-05 Springfield Blvd
Queens Village, NY 11429
Phone: 718-465-1010
Fax: 718-465-9069
Email: grace@grace-qv.org

Re: Commitment Adjustment
Funding year: 2000-2001
Form 471 Application Number: 176664
Funding Request Number: 354919
SPIN: 143007419

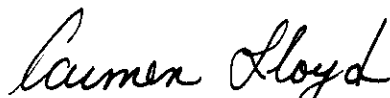
I am requesting a waiver to the 60 day rule to allow me to appeal the Commitment Adjustment Letter dated April 1, 2004. I am requesting additional time to appeal for the following reasons:

- The letter entitled—Commitment Adjustment Letter—did not clearly state that we would be billed the adjustment amount. It seemed to me to be simply an adjustment.
- The company in question—Connect2 Internet Networks—defrauded us as it did the SLD. I was not aware that the company had applied to be reimbursed the full amount granted.
- We received neither money nor additional service for the money being requested of us.
- Since I did not understand what the Commitment Adjustment Letter was really about until the June 16 bill came, I would like an opportunity to research and appeal the decision.

Please act on this promptly so that I will know how to respond to the SLD.

Thank you.


Peter Dorn


Carmen Lloyd, Principal
Authorized signature

Cc: Andrew A. Kimler, Esq., Capell & Vishnick

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Universal Service Administrative Company
Schools & Libraries Divisio

COMMITMENT ADJUSTMENT LETTER

April 1, 2004

Peter Dorn
GRACE LUTHERAN DAY SCHOOL
10005 SPRINGFIELD BLVD
JAMAICA, NY 11429 1619

Re: COMMITMENT ADJUSTMENT
Funding Year 2000 -2001
Form 471 Application Number: 176664

Dear Applicant:

Our routine reviews of Schools and Libraries Program funding commitments revealed certain applications where funds were committed in violation of program rules.

In order to be sure that no funds are used in violation of program rules, SLD must now adjust your overall funding commitments. The purpose of this letter is to make the adjustments to your funding commitments required by program rules.

FUNDING COMMITMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Report for the Form 471 application cited above. The enclosed report includes a list of the FRNs from your application for which adjustments are necessary. The SLD is also sending this information to your service provider(s), so preparations can be made to implement this decision. Immediately preceding the Funding Commitment Report, you will find a guide that defines each line of the Report.

Please note that if the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the funds disbursed. The amount is shown as Funds to be Recovered. If funds must be recovered, we will be sending your service provider a letter describing the process for recovering these funds in the near future, and we will send a copy of the letter to you. If the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount.

TO APPEAL THIS DECISION:

If you wish to appeal the Funding Commitment Decision indicated in this letter, your appeal must be POSTMARKED within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and e-mail address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify which Commitment Adjustment Letter you are appealing. Your letter of appeal must include the Billed Entity Name, the Form 471 Application Number, and the Billed Entity Number from the top of your letter.
3. When explaining your appeal, copy the language or text from the Commitment Adjustment Letter that is at the heart of your appeal to allow the SLD to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep copies of your correspondence and documentation.
4. Provide an authorized signature on your letter of appeal.

If you are submitting your appeal on paper, please send your appeal to: Letter of Appeal, Schools and Libraries Division, Box 125- Correspondence Unit, 80 South Jefferson Road, Whippany, NJ 07981. Additional options for filing an appeal can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We encourage the use of either the e-mail or fax filing options.

While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC). You should refer to CC Docket Nos. on the first page of your appeal to the FCC. Your appeal must be POSTMARKED within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site, or by contacting the Client Service Bureau. We strongly recommend that you use either the e-mail or fax filing options.

A GUIDE TO THE FUNDING COMMITMENT REPORT

Attached to this letter will be a report for each funding request from your application for which a commitment adjustment is required. We are providing the following definitions.

- **FUNDING REQUEST NUMBER (FRN):** A Funding Request Number is assigned by the SLD to each request in Block 5 of your Form 471 once an application has been processed. This number is used to report to applicants and service providers the status of individual discount funding requests submitted on a Form 471.
- **SPIN (Service Provider Identification Number):** A unique number assigned by the Universal Service Administrative Company to service providers seeking payment from the Universal Service Fund for participating in the universal service support programs.
- **SERVICE PROVIDER:** The legal name of the service provider.
- **CONTRACT NUMBER:** The number of the contract between the eligible party and the service provider. This will be present only if a contract number was provided on Form 471.
- **SERVICES ORDERED:** The type of service ordered from the service provider, as shown on Form 471.
- **SITE IDENTIFIER:** The Entity Number listed in Form 471 for "site specific" FRNs.
- **BILLING ACCOUNT NUMBER:** The account number that your service provider has established with you for billing purposes. This will be present only if a Billing Account Number was provided on your Form 471.
- **ADJUSTED FUNDING COMMITMENT:** This represents the adjusted total amount of funding that SLD has committed to this FRN. If this amount exceeds the Funds Disbursed to Date, the SLD will continue to process properly filed invoices up to the new commitment amount.
- **FUNDS DISBURSED TO DATE:** This represents the total funds which have been paid up to now to the identified service provider for this FRN.
- **FUNDS TO BE RECOVERED:** This represents the amount of Funds Disbursed to Date that exceed the Adjusted Funding Commitment amount. These funds will have to be recovered. If the Funds Disbursed to Date do not exceed the Adjusted Funding Commitment amount, this entry will be \$0.
- **FUNDING COMMITMENT ADJUSTMENT EXPLANATION:** This entry provides a description of the reason the adjustment was made.

Funding Commitment Report for Application Number: 176664

Funding Request Number 354919 SPIN: 143007419
Service Provider: Connect2 Internet Networks Inc.
Contract Number: MTM
Services Ordered: INTERNET ACCESS
Site Identifier: 12565 GRACE LUTHERAN DAY SCHOOL
Billing Account Number: 1562
Adjusted Funding Commitment: \$4,986.88
Funds Disbursed to Date: \$9,072.00
Funds to be Recovered: \$4,085.12

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that committed amounts for this FRN must be rescinded in the amount of \$4,085.12 as Connect2 Internet Networks, in connection with documented abuses of the program by this vendor, has failed to collect the required payment for the non-discounted portion of this FRN. Connect2 Internet Networks has only collected \$7,480.00 of the required applicant portion of \$13,608.00 or 54.97% of the applicant share. Consequently, the SLD must rescind the portion of the commitment for which the applicant share has not been collected ($\$9,072.00 \times (1 - 54.97\% \text{ of applicant share collected})$). FCC rules require the applicant to pay its service provider the full cost of the non-discounted portion owed to the service provider from funds budgeted within the funding year (see FCC Form 471, Block 6, item 25). Due to the above noted violation of the rules of this schools and libraries support mechanism, the commitment amount for this FRN has been rescinded in the amount of \$4,085.12.



Universal Service Administrative Company
Schools & Libraries Division

REPAYMENT/OFFSET DEMAND LETTER

June 16, 2004

Peter Dorn
GRACE LUTHERAN DAY SCHOOL
10005 Springfield Blvd
Queens Village, NY 11429 1619

SPIN: 143007419
Service Provider Name: Connect2 Internet Networks Inc.
Billed Entity Number: 12565

Dear Service Provider Contact:

You were recently sent a Commitment Adjustment Letter informing you of the need to recover funds for the Funding Request Number(s) (FRNs) listed on the Option Selection Worksheet attached to this letter. The Federal Communications Commission (FCC) by its Order FCC 00-350 (released October 26, 2000) has directed the Universal Service Administrative Company (USAC) to implement the funds recovery process from service providers who received erroneous funding amounts. Listed below are the options available to you to return the total 'Funds to be Recovered' amount as specified on the Commitment Adjustment Letters you have been provided.

You may choose one of three options:

1. Remit to USAC the stated 'Funds to be Recovered' amount, within 30 days of the date of this letter,
2. Offset the stated amount owed to USAC by foregoing disbursement on alternate valid funding commitments or pending funding requests for the same applicant for the same or alternate funding year, or
3. A combination of the above two methods. The sum must equal the required recovery amount.

- If you select the cash payment option (# 1), please make your check payable to: "USAC – Fund Recovery" and remit the full "Funds to be Recovered" amount.

- If you select the offset option (# 2), USAC will offset the first submitted invoices, regardless of the alternate FRNs to which they apply, against the USAC recovery amount. You will be notified that the invoices have been approved and the funds have been credited as an offset. Once the USAC recovery is satisfied, any additional invoices submitted will be processed as normal, subject to remaining availability of funds for each FRN.

• If you select the combination option (#3), please indicate the amount of cash payment and make your check payable to: "USAC – Fund Recovery." The difference between the dollar amount remitted and the total "Funds to be Recovered" amount due to USAC is the remaining amount to be recovered by foregoing disbursement on alternate FRNs after work is completed and invoices are submitted to USAC. The sum of both options must equal the required recovery amount.

If an offset methodology is selected either via Option 2 or 3 above, the following examples may help you understand how USAC will process submitted invoices to ensure accurate and timely recovery of funds. The offset methodology will apply to either Service Provider Invoice Forms (FCC Form 474) or Billed Entity Applicant Reimbursement (BEAR) Forms (FCC Form 472).

Example illustrates processing of invoices that exactly offset the recovery dollar amount:

Adjusted FRN and Recovery Dollar Amount	Alternate FRN and Available Dollar Amounts	Invoices Submitted SPIF or BEAR	USAC Applies to Recovery	USAC Pays
123 \$1,000	124 \$1,500	\$300	\$300	-0-
	125 \$ 800	\$400	\$400	-0-
	126 \$1,200	\$300	\$300	-0-
Total \$1,000	\$3,500	\$1,000	\$1,000	

Example 2 illustrates how invoices can be processed once the FULL amount of the recovery has been obtained:

Adjusted FRN and Recovery Dollar Amount	Alternate FRN and Available Dollar Amounts	Invoices Submitted SPIF or BEAR	USAC Applies to Recovery	USAC Pays
123 \$1,000	124 \$1,500	\$600	\$600	-0-
	125 \$ 800	\$800	\$400	\$ 400
	126 \$1,200	\$1,200	\$0	\$1,200
Total \$1,000	\$3,500	\$2,600	\$1,000	\$1,600

Please review the attachments **complete the Option Selection Worksheet, and return it within 30 days of the date of this letter.** An instruction sheet has been provided as well as a listing of alternate FRNs with valid or pending funding commitments available for offset.